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INFORMATION PAPER

DAMI-ISH
12 Sep 80

SUBJECT: GRILL FLAME (U)

PURPOSE. (S/NOFORN) To inform ACSI DA of a potential situation with regard to GRILL FLAME and offer recommendations that will prevent possible embarrassment to the Army.

FACTS.

1. (S/NOFORN) BACKGROUND: In response to LTG Tighe's 7 Aug 80 letter to MG Thompson, a GRILL FLAME Committee meeting was held on 18 Aug 80. The purpose of the meeting was to approve the Joint Service GRILL FLAME Memorandum of Understanding (MOU), Mission and Objectives Statement, and proposed contract with SRI (TAB C).

2. (U) DISCUSSION:

a. (S/NOFORN) In order to ensure support of Army INSCOM's interest in this matter, MAJ Hay provided the proposed draft documents at TAB C to LTC Watt's organization at Fort Meade for review and comment. This resulted in a response from MG Rolya (letter with 1 Incl) at TAB B. Because LTC Watt was on leave, a representative from his organization, LT Fred Atwater, was invited to attend the 18 Aug 80 meeting at DIA to present INSCOM's recommended changes to the proposed draft documents. After the meeting, MAJ Hay asked LT Atwater if he felt LTC Watt and INSCOM could concur with the proposed changes made at the meeting. LT Atwater replied he thought they would.

b. (S/NOFORN) MAJ Hay met with LTC Watt on 27 Aug 80 and he informed MAJ Hay that ~~he disagreed with LT Atwater and~~ he and INSCOM could not concur with the MOU. MAJ Hay and LTC Watt then drafted a proposed MOU (TAB A) which we plan to table at a proposed GRILL FLAME Committee meeting at DIA during the next meeting, date unknown.

c. (S/NOFORN) INSCOM's major objections, and MAJ Hay agrees, are as follows:

(1) (S/NOFORN) INSCOM has \$150K total to fund the FY 81 GRILL FLAME effort. INSCOM needs \$30K to fund the operational effort. This would leave \$120K for external contracts with whomever

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Review 12 Sep 2000
Reason: 2-301c.3

GRILL FLAME (U)

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INFORMATION PAPER

DAMI-ISH
15 Sep 80

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① * c. (U) INSCOM's major objections, and MAJ Hay agrees, are as follows:

(1) (S/NOFORN) The original MOU is that it identifies a contractor by name and commits DOD funding to a specific organization (SRI) prior to ascertaining if the contractor can accomplish

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FLAME (U)
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the required work. The MOU should be the instrument that establishes the DOD Joint effort and not one which commits DOD funds to a specific contractor.

(2) (S/NOFORN) INSCOM has \$150K total to fund the FY 81 GRILL FLAME effort. INSCOM needs \$30K to fund the operational effort. This would leave \$120K for external contracts with whom- ever it can be determined can meet INSCOM's requirements at the least possible cost. (NOTE: DIA proposal states \$120K from Army INSCOM all to be funded for an SRI effort. DIA maintains that Army had previously agreed verbally to provide \$150K, then \$120K and now possibly even less than \$120K. Both LTC Watt and MAJ Stoner * disagree and LTC Watt has a Memorandum for Record to back up state- ment.)

(3) (S/NOFORN) DIA made a unilateral decision to send the DIA primary contract monitor to SRI, Menlo Park, CA on Thursday 21st of Friday 22d of August. This was done prior to the MOU being approved by Director, DIA; Army, and Air Force ACSIs. NOTE: DIA states no one objected to the primary contract monitor going to the West Coast at the 18 Aug 80 meeting. Both LTC Watt and MAJ Stoner have gone on record previously objecting to the need for the contract monitor to physically locate himself at SRI for the following reasons:

(a) (S/NOFORN) If the GRILL FLAME Committee is in fact joint, the DIA has no right to make a unilateral decision such as they have prior to the MOU being signed. NOTE: DIA feels since DIA is funding [REDACTED] move it is no one else's problem. We feel if this decision is criticized, DIA, Army, and Air Force will jointly be held responsible since we are a joint committee.

(b) (S/NOFORN) If the primary contract monitor is located on the West Coast with SRI, we question how he can best monitor all additional contract efforts elsewhere. NOTE: DIA feels since SRI is best qualified in this project they will now, and probably continue to receive most of the contracts, therefore, it makes sense to maintain the contract monitor at that location.

(c) (S/NOFORN) The move of the primary contract monitor to SRI totally disregards the recommendation of the Department of the Army GRILL FLAME Scientific Evaluation Committee Report, dated December 79, page 10, para 3b. "Dependence on the SRI approach should be phased out." NOTE: DIA feels the Gale Report is biased and GRILL FLAME was doomed before it started, therefore, no one is going to accept its recommendations (especially when we are using Program III funds vice Program VI.

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(d) (S/NOFORN) The move of the contract monitor to SRI potentially decreased the operational security of the project. Hal Puthoff and Russ Targ are well known as so-called experts in the PSI area. To move a DIA contract monitor to work closely with them makes it difficult to deny DOD interest in PSI. NOTE: It appears DIA believes both LTC Watt and MAJ Stoner "have it in" for Dr. Verona's office, specifically [REDACTED] and all of these objections are directed at [REDACTED]. At the risk of being accused of parochialism, MAJ Hay does not believe this to be the case. Both LTC Watt and MAJ Stoner believe that [REDACTED] has continually misrepresented Army/INSCOM positions and facts to Dr. Verona.

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3. (U) IMPACT:

a. (S/NOFORN) If our proposed draft MOU is approved, INSCOM agrees to fund \$70K for immediate contract work at SRI for audio analysis, and once LTC Watt can determine the status of SRI advanced RV training program, INSCOM would take action to fund additional monies available. (Ingo Swann stated SRI will not be prepared for advanced training for one year, however SRI's Hal Puthoff told MAJ Hay on 12 Sep 80 that SRI is ready and Swann as a consultant cannot speak for SRI.) SRI initially felt that it would be necessary to fund \$500K to maintain an adequate program in PSI but reduced that figure to \$450K. That figure was further reduced to \$390K for FY 81 by the GRILL FLAME Committee. According to DIA, this will cause SRI to reduce the number of personnel working the project. If Army INSCOM further reduces dollar figure as planned, SRI may pull out of the program. DIA firmly believes SRI, as configured with current personnel, is a national asset. MAJ Hay thinks that is stretching things a bit far, but does believe SRI efforts should continue if they can produce DOD requirements better than any other contractor at the least possible cost to DOD. If SRI did pull out, DIA's primary contract monitor would be left on the West Coast to monitor nothing, possibly causing the contract monitor to bring a claim against DIA for creating family hardships, loss of funds, etc. This could cause an embarrassment situation for LTG Tighe and Dr. Verona. Although Army and Air Force are not formally a part of the Joint Services GRILL FAME Committee (no signed MOU) we have been very informally involved since 1978. This could cause some embarrassment to Army/Air Force.

b. (S/NOFORN) If SRI does not "pull out" and the DIA monitor remains at SRI, there may be at a later date some question dealing with the objections listed in paragraph 2(a)(b)(c)(d) above. Additionally, there is the potential for questions to arise dealing with possible conflict of interest, e.g., other contractors question the DIA primary contract monitor located at SRI offering work to other contractors without bias.

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them (DIA, SRI) wrong!
AF pulled out & DIA
"found" new to
continue.*

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4. (U) CONCLUSION:

* a. (S/NOFORN) Dr. Verona and SRI are very angry because they believe Army INSCOM is backing out of its commitment of \$120K. Verona's main concern appears to be the loss of the \$120K from Army to go with the SRI program for FY 81. He feels strongly SRI will pull out if Army reduces the \$120K further.

b. (S/NOFORN) The changing of the proposed MOU does not appear to bother Dr. Verona, except he does not feel, as program manager, he has to clear through the GRILL FLAME Committee before talking with Congress or anyone else about the program.

c. (S/NOFORN) MAJ Stoner feels we should trust SRI and INSCOM should be forced to spend the FY 81 contract budget of \$120K with SRI. Stoner states "it would be wrong to stop the \$120K from going to SRI as soon as possible. I say this while pointing out my own extreme bias against what I consider to be the high-handed, unethical, and unprofessional actions by Verona and [REDACTED] in secretly assigning [REDACTED] to SRI as contract monitor. SRI should continue to play a valuable role. Despite what INSCOM feels SRI is capable of further pioneer work if they have more time, money and non-interference by sponsors."

nobody said that

* d. (S/NOFORN) LTC Watt is strongly opposed to spending any money with SRI or anyone else until the formal MOU is signed and INSCOM is fully aware of what they are getting for the \$120K.

e. (S/NOFORN) MAY Hay believes the whole GRILL FLAME Committee has been poorly managed which has resulted in bad decisions based on an attempt by all concerned to speed up (for whatever reason) a very sensitive and complicated project. Since DIA made the unilateral decision which may cause them embarrassment, they should be asked to come up with the funds to make up the difference that INSCOM wishes to spend elsewhere (about \$50K). If DIA feels SRI is a national asset, this would "keep SRI in business." The GRILL FLAME Committee should then be forced to meet, and air out all the personal problems between the action officers, and get on with the business at hand as outlined in the proposed MOU at TAB A. If that is not possible, recommend that the project management be moved to DC-4 in DIA, remove all action officers from the project and start over with a new team that can look at this situation in an objective manner for the good of the DOD.

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5. (U) OPTIONS:

- a. (S/NOFORN) Army withdraw from the Joint Service Program.

Advantages

- (1) Freedom to spend Army money when and where we desire.
- (2) Manage our program without coordination/approval of DIA.

Disadvantages

- (1) We get less for our money as Joint Service contracts provides benefits from DIA/USAF programs, i.e., exchange of information.
- (2) Prevents duplication of effort.
- (3) If SRI as presently staffed should be considered a very valuable asset to Army, the program would suffer if there is no Joint Service contract.
- (4) Army will be critized by DIA.

- b. (S/NOFORN) Army remain in the Joint Service Program as it is proposed in the original MOU, and as is now operating.

Advantages

- (1) Most cost effective if a Joint Service contract is ever achieved.
- (2) Appears to be better managed/organized (at least on paper).
- (3) Keeps the SRI effort going as currently staffed which may or may not provide DOD with long term benefits.
- (4) Should allow for audio analysis and embarrassment work for INSCOM with SRI team.

Disadvantages

- (1) Army cannot spend money where they feel it can obtain best results.
- (2) DIA makes unilateral decisions without regard to Service needs. Decisions could prove not in best interest of Army.
- (3) Army would formally accept part of the responsibility for a poorly managed effort with DIA, and could be subject to criticism
- (4) Cdr INSCOM would have to spend \$120K at SRI and not know what results he will receive.

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c. (S/NOFORN) Army remain in the Joint Service Program but modified as follows:

- (1) (S/NOFORN) As stated in our proposed MOU (TAB A).
- (2) (S/NOFORN) Go on record to object to DIA's unilateral decision for sending the primary contract monitor to SRI for reasons listed in paragraph 2a,b,c,d.
- (3) (S/NOFORN) Ask DIA to make up the difference in funds (about \$50K) that INSCOM wishes to spend elsewhere.

Advantages

- (a) Keeps the Joint Service Program alive at least for one year and force better management.
- (b) Should be more cost effective.
- (c) Should be better managed/organized.
- (d) Should eliminate duplication of effort.
- (e) Should provide better exchange of information.
- (f) Should eliminate unilateral decisions by DIA.
- (g) Should allow Army INSCOM to obtain training from contractors other than SRI.
- (h) Should allow for audio analysis work for INSCOM with the SRI Team, if the SRI Team remains.
- (i) Should allow the SRI Team as currently staff to remain in business for one more year.
- (j) Possibly prevent embarrassment for LTG Tighe and Dr. Verona from outside DOD.

Disadvantages

- (a) Will anger DIA and cause them some internal DOD embarrassment.
- (b) Cause a short delay in order to get a formally signed MOU and contracts for FY 81 GRILL FLAME efforts.

GRILL FLAME (U)
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6. (U) RECOMMENDATION: Option C; if DIA refuses, go with Option A.

MAJ Hay/50114

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